



DEPARTMENT OF COMMERCE

International Trade Administration

[C-570-068]

Forged Steel Fittings from the People's Republic of China: Preliminary Results and Partial Rescission of Countervailing Duty Administrative Review; 2020

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The U.S. Department of Commerce (Commerce) is conducting an administrative review of the countervailing duty (CVD) order on forged steel fittings from the People's Republic of China (China) for the period of review January 1, 2020, through December 31, 2020. Commerce preliminarily determines that countervailable subsidies are being provided to producers/exporters of forged steel fittings from China subject to this review. We are also rescinding this review with respect to 21 companies. Interested parties are invited to comment on these preliminary results.

DATES: Applicable [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

FOR FURTHER INFORMATION CONTACT: Zachariah Hall or Shane Subler, AD/CVD Operations, Office VIII, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-6261 or (202) 482-6241, respectively.

SUPPLEMENTARY INFORMATION:

Background

On December 28, 2021, Commerce published the notice of initiation of an administrative review of the CVD order on forged steel fittings from China.¹ On July 8, 2022, Commerce extended the time period for issuing the preliminary results of this review by 120 days.² Accordingly, the deadline for the preliminary results in this administrative review was postponed to November 30, 2022.³

For a complete description of the events that followed the initiation of this administrative review, *see* the Preliminary Decision Memorandum.⁴ A list of topics discussed in the Preliminary Decision Memorandum is included as an appendix to this notice. The Preliminary Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov>. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly <https://access.trade.gov/public/FRNoticesListLayout.aspx/>.

Scope of the Order

The merchandise covered by the order is forged steel fittings. For a complete description of the scope of the order, *see* the Preliminary Decision Memorandum.

Rescission of Administrative Review, In Part

Based on our analysis of U.S. Customs and Border Protection (CBP) information, we preliminarily determine that 21 companies had no entries of subject merchandise during the POR.⁵ On February 14, 2022, we notified parties that we intended to rescind this administrative

¹ *See Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 86 FR 73734 (December 28, 2021).

² *See* Memorandum, "Extension of Deadline for Preliminary Results of Countervailing Duty Administrative Review," dated July 8, 2022.

³ *Id.* at 2.

⁴ *See* Memorandum, "Decision Memorandum for the Preliminary Results: Administrative Review of the Countervailing Duty Order on Forged Steel Fittings from the People's Republic of China; 2020," dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

⁵ *See* Appendix II.

review with respect to the 21 companies because they have no reviewable suspended entries.⁶ No parties commented on the notification of intent to rescind the review in part. Pursuant to 19 CFR 351.213(d)(3), we are rescinding the administrative review of these companies. We have included a list of these 21 companies in Appendix II of this notice. For additional information regarding this determination, *see* the Preliminary Decision Memorandum.⁷

Methodology

Commerce is conducting this review in accordance with section 751(a)(1)(A) of the Tariff Act of 1930, as amended (the Act). For each of the subsidy programs found countervailable, we preliminarily determine that there is a subsidy, *i.e.*, a government financial contribution that gives rise to a benefit to the recipient, and that the subsidy is specific.⁸ For a full description of the methodology underlying our preliminary conclusions, *see* the Preliminary Decision Memorandum.

As explained in the Preliminary Decision Memorandum, Commerce relied on adverse facts available because the Government of China did not act to the best of its ability in responding to Commerce's requests for information and, consequently, we have drawn an adverse inference, where appropriate, in selecting from among the facts otherwise available.⁹ For further information, *see* "Use of Facts Otherwise Available and Adverse Inferences" in the Preliminary Decision Memorandum.

Preliminary Rate for Non-Selected Companies Under Review

Reviews were requested of four companies that Commerce did not select for individual examination as mandatory respondents and for which Commerce is not rescinding the review. The statute and Commerce's regulations do not directly address the establishment of rates to be applied to companies not selected for individual examination where Commerce limits its

⁶ *See* Memorandum, "Notice of Intent to Rescind Review, In Part," dated February 14, 2022.

⁷ *See* Preliminary Decision Memorandum at 3-4.

⁸ *See* sections 771(5)(B) and (D) of the Act regarding financial contribution; section 771(5)(E) of the Act regarding benefit; and section 771(5A) of the Act regarding specificity.

⁹ *See* sections 776(a) and (b) of the Act.

examination in an administrative review pursuant to section 777A(e)(2) of the Act. However, Commerce normally determines the rates for non-selected companies in reviews in a manner that is consistent with section 705(c)(5) of the Act, which provides the basis for calculating the all-others rate in an investigation. Section 705(c)(5)(A)(i) of the Act instructs Commerce, as a general rule, to calculate an all-others rate equal to the weighted average of the countervailable subsidy rates established for exporters and/or producers individually examined, excluding any rates that are zero, *de minimis*, or based entirely on facts available.

In this review, the sole mandatory respondent, Both-Well (Taizhou) Steel Fittings, Co., Ltd. (Both-Well), had a rate that was not zero, *de minimis*, or based entirely on facts available. Thus, for the four companies listed below that were not selected as mandatory company respondents and for which Commerce is not rescinding the review, Commerce is basing the subsidy rates on the rate calculated for Both-Well.

Preliminary Results of Review

We preliminarily find the following net countervailable subsidy rates for the period January 1, 2020, through December 31, 2020:

| Producer/Exporter | Subsidy Rate (percent) |
|---|-------------------------------|
| Both-Well (Taizhou) Steel Fittings, Co., Ltd. | 13.42 |
| Review-Specific Average Rate Applicable to the Following Companies | Subsidy Rate (percent) |
| Eaton Hydraulics (Ningbo) Co., Ltd. | 13.42 |
| Jinan Mech Piping Technology Co., Ltd. | 13.42 |
| Qingdao Bestflow Industrial Co., Ltd. | 13.42 |
| Yingkou Guangming Pipeline Industry Co., Ltd. | 13.42 |

Assessment Rate

In accordance with 19 CFR 351.221(b)(4)(i), we preliminarily assigned subsidy rates in the amounts for the producers/exporters shown above. Upon completion of the administrative review, consistent with section 751(a)(1) of the Act and 19 CFR 351.212(b)(2), Commerce shall

determine, and CBP shall assess, countervailing duties on all appropriate entries covered by this review. Commerce intends to issue instructions directly to CBP no earlier than 35 days after publication of the final results of this review in the *Federal Register*. If a timely summons is filed at the U.S. Court of International Trade, the assessment instructions will direct CBP not to liquidate relevant entries until the time for parties to file a request for a statutory injunction has expired (*i.e.*, within 90 days of publication).

Cash Deposit Rate

Pursuant to section 751(a)(1) of the Act, Commerce intends to instruct CBP to collect cash deposits of estimated countervailing duties in the amounts indicated for the producers/exporters listed above with regard to shipments of subject merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results of this review. For all non-reviewed firms, we will instruct CBP to continue to collect cash deposits of estimated countervailing duties at the most recent company-specific or all-others rate applicable to the company, as appropriate. These cash deposit instructions, when imposed, shall remain in effect until further notice.

Disclosure and Public Comment

We intend to disclose to interested parties the calculations performed for these preliminary results within five days of the date of publication of this notice in accordance with 19 CFR 351.224(b). Interested parties may submit written comments (case briefs) within 30 days of publication of the preliminary results and rebuttal comments (rebuttal briefs) within seven days after the time limit for filing case briefs.¹⁰ Note that Commerce has temporarily modified certain of its requirements for serving documents containing business proprietary information, until further notice.¹¹ Pursuant to 19 CFR 351.309(c)(2) and (d)(2), parties who

¹⁰ See 19 CFR 351.309(c)(1)(ii) and 351.309(d)(1); see also *Temporary Rule Modifying AD/CVD Service Requirements Due to COVID-19*, 85 FR 17006 (March 26, 2020) (“To provide adequate time for release of case briefs via ACCESS, E&C intends to schedule the due date for all rebuttal briefs to be 7 days after case briefs are filed (while these modifications are in effect).”).

¹¹ See *Temporary Rule Modifying AD/CVD Service Requirements Due to COVID-19; Extension of Effective Period*, 85 FR 41363 (July 10, 2020).

submit case briefs or rebuttal briefs in this review are encouraged to submit with each argument:

(1) a statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities.

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing, limited to issues raised in the case and rebuttal briefs, must submit a written request to the Assistant Secretary for Enforcement and Compliance, U.S. Department of Commerce, within 30 days after the date of publication of this notice. Requests should contain: (1) the party's name, address, and telephone number; (2) the number of participants and whether any participant is a foreign national; and (3) a list of the issues to be discussed. If a request for a hearing is made, Commerce intends to hold the hearing at a time and date to be determined. Parties should confirm by telephone the date, time, and location of the hearing two days before the scheduled date.

Unless the deadline is extended, we intend to issue the final results of this administrative review, which will include the results of our analysis of the issues raised in the case briefs, within 120 days of publication of these preliminary results in the *Federal Register*, pursuant to section 751(a)(3)(A) of the Act and 19 CFR 351.213(h).

Notification to Interested Parties

This administrative review and notice are in accordance with sections 751(a)(1) and 777(i)(1) of the Act, and 19 CFR 351.213.

Dated: November 30, 2022.

Lisa W. Wang,

Assistant Secretary

for Enforcement and Compliance.

Appendix I

List of Topics Discussed in the Preliminary Decision Memorandum

- I. Summary
- II. Background
- III. Scope of the *Order*
- IV. Diversification of China's Economy
- V. Non-Selected Companies Under Review
- VI. Partial Rescission of Review
- VII. Subsidies Valuation
- VIII. Benchmarks and Discount Rates
- IX. Use of Facts Otherwise Available and Adverse Inferences
- X. Analysis of Programs
- XI. Recommendation

Appendix II

List of Companies Subject to Rescission of Review

1. Cixi Baicheng Hardware Tools, Ltd.
2. Dalian Guangming Pipe Fittings Co., Ltd.
3. Eaton Hydraulics (Luzhou) Co., Ltd.
4. Jiangsu Forged Pipe Fittings Co., Ltd.
5. Jiangsu Haida Pipe Fittings Group Co. Ltd.
6. Jining Dingguan Precision Parts Manufacturing Co., Ltd.
7. Lianfa Stainless Steel Pipes & Valves (Qingyun) Co., Ltd.
8. Luzhou City Chengrun Mechanics Co., Ltd.
9. Ningbo HongTe Industrial Co., Ltd.
10. Ningbo Long Teng Metal Manufacturing Co., Ltd.
11. Ningbo Save Technology Co., Ltd.
12. Ningbo Zhongan Forging Co., Ltd.
13. Q.C. Witness International Co., Ltd.
14. Shanghai Lon Au Stainless Steel Materials Co., Ltd.
15. Witness International Co., Ltd.
16. Xin Yi International Trade Co., Limited
17. Yancheng Boyue Tube Co., Ltd.
18. Yancheng Haohui Pipe Fittings Co., Ltd.
19. Yancheng Jiuwei Pipe Fittings Co., Ltd.
20. Yancheng Manda Pipe Industry Co., Ltd.
21. Yuyao Wanlei Pipe Fitting Manufacturing Co., Ltd.